

## How Medicaid and VFC Work Together

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If you are a Medicaid Provider, there are many aspects of Medicaid that you should be aware of and how Medicaid and the VFC Program work together.

By enrolling as a VFC Provider, you will be able to provide free vaccines to this entire childhood cohort while saving yourself valuable operating capital.

**By far the largest category of children eligible for the VFC program is Medicaid-enrolled children.**

### A Medicaid Primer

Title XIX of the Social Security Act is a Federal/State entitlement program that pays for medical assistance for certain individuals and families with low incomes and resources. This program, known as Medicaid, became law in 1965 as a cooperative venture jointly funded by the Federal and State governments (including the District of Columbia and the Territories) to assist States in furnishing medical assistance to eligible needy persons. Medicaid is the largest source of funding for medical and health-related services for America's poorest people, including disadvantaged children.

Within broad national guidelines established by the Federal government, each State Medicaid Program:

- Establishes its own eligibility standards,
- Determines the type, amount, duration, and scope of services,
- Sets the rate of payment for services; and
- Administers its own program.

Thus, the Medicaid program varies considerably from State to State. However, one thing that remains constant from State to State regardless of their programmatic policy differences, is that all State Medicaid programs recognize and encourage their participating physicians to enroll in the VFC Program.

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### Medicaid State Plan Requirements

While CDC has the lead responsibility for policy development and implementation of the VFC program, the VFC program is contained in the Medicaid law and is funded by the Federal Government through the Centers for Medicare and Medicaid Services (CMS), Medicaid program. Each State Medicaid program must file a Medicaid State plan amendment covering its Pediatric Immunization Program in order to receive Federal funds to operate its Medicaid program and to receive vaccines from the VFC program.

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### Managed Care

Medicaid managed care continues to be a preferred model to serve children enrolled in the Medicaid program. Approximately 54 percent of Medicaid beneficiaries are covered under some type of managed care plan and about 55 percent of those are children.

Most children who are enrolled in these plans are required to receive care from designated providers. Otherwise, the Federal government will not reimburse the service. This requirement is commonly called a "lock-in" requirement. If lock-in applies, Medicaid and the plan may refuse to pay a vaccine administration fee if a VFC provider who is not a plan provider provides an immunization to that child.

There are exceptions to the above statement. Some States have written conditions into their contracts with managed care organizations (MCO's) requiring the plan, or the State, to pay immunization administration fees to non-plan providers. Your State Medicaid agency should be able to advise if this is the case in a particular situation.

It may also be possible for a public provider to directly negotiate an agreement with an MCO to serve its patients and to bill the MCO for the vaccine administration fee when that MCO's enrollees are immunized at the public health clinic. In this case, the public health clinic is part of the MCO's network and negotiated services are considered to be in-plan services.

There are also other varieties of plans that do not require the patient to receive all care from plan providers, such as Preferred Provider Organizations (PPO's).

For children enrolled in Medicaid, the most common plan is the "Primary Care Case Management (PCCM)" model. About 16.5 % of Medicaid recipients who participate in managed care arrangements are enrolled in PCCM's.

In this model, primary care physicians are assigned to each participating Medicaid child. In order to receive care from a specialist, the primary care physician must refer the child. For these services, the physician is usually paid a small monthly case management fee, usually about \$5-\$8. However, the physician is paid on a fee-for-service (FFS) basis for all other covered medical services. Medicaid enrolled children who are enrolled in PCCM plans are expected to receive primary care from their primary care physician, but are not necessarily required to do so.

For example, some physicians who are participating in a PCCM routinely refer patients to the Health Department for immunization. Consult your State Medicaid agency to determine whether a VFC participating physician who is not that child's primary care physician may bill Medicaid for the vaccine administration fee.

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## Fee Caps on Vaccine Administration

The legislation that created the VFC program requires that the Secretary, Department of Health and Human Services, establish a limit on the amount of money that a provider can charge for the administration of vaccines to VFC-eligible children.

An initial Federal Register notice setting forth the interim maximum amounts a participating provider may charge for administering a vaccine to a VFC child was published on October 3, 1994.

The [administration fees](#) were established on the basis of national charge data that were obtained under Federal contract with the American Academy of Pediatrics. Charge data were used rather than cost data, because accurate, useable nationwide cost data were not available nor could CMS obtain them by October 1, 1994.

Recognizing the importance of utilizing cost data in developing the regional maximum charges, CMS published the interim maximum charges based on charge data with the intention to conduct a study to accumulate cost data and with the goal to revise the maximum charges based on cost.

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## What is a Medicaid State Plan and a Plan Preprint?

The State plan is the document by which the State certifies that it will comply with all Federal requirements for Medicaid. Some of the requirements are identical for all States, and some permit the State to choose certain options. The State plan preprint is the document the State completes in order to certify compliance, and to indicate chosen options. In order to be eligible to receive federal matching funds (Federal Financial Participation) to operate its Medicaid program, each State must agree to comply with all parts of the State Medicaid plan on file with CMS.

The portion of the State plan that covers VFC, "State Requirements for Operation of a Pediatric Immunization Program," is only one part of a much larger State plan for Medicaid, covering all aspects of the program. No matter which State agency operates the VFC program, the State government is ultimately responsible for seeing to it that its agencies comply with the Medicaid State plan requirements.

As part of the state plan reprint covering the VFC program, States are required to report the administration fee paid for children who are Medicaid-enrolled. Changes to reimbursement rates should also be reported. This information is made available to the public on the VFC home page.

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## How Can State Immunization Projects/State Medicaid Agencies Help You?

It is essential that State Immunization Projects and State Medicaid agencies develop a good working relationship with participating physicians in order for the VFC program to succeed in reaching and vaccinating children.

Since a substantial proportion of children under 5 years of age are enrolled in Medicaid, and the majority of vaccinations are due in the first two years of life, the majority of the children served by VFC will be Medicaid eligible.

However, questions about Medicaid eligibility will invariably arise. Immunization project staff should have pre-existing arrangements with Medicaid agencies to properly reply or to refer queries.

It is the responsibility of the State Medicaid agency to enroll children in Medicaid. However, because the VFC program will serve many children who may not be aware of their potential eligibility, the immunization staff should work with the State Medicaid agency to develop referral procedures.

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## What if a Parent/Guardian Does Not Know Whether a Child is Enrolled with Medicaid?

A "yes" response to Medicaid enrollment is sufficient for a child to qualify for the VFC program. There is no requirement for verification of the "yes" answer.

Providers routinely screen for Medicaid eligibility, and when you do, that screening automatically relates to the VFC eligibility status of the child.

However, a parent/guardian may present a child for vaccination and say, "I don't know if the child is enrolled in Medicaid." If the patient is judged to be without health insurance, and their Medicaid eligibility remains in question, providers are encouraged to vaccinate these children and refer them to a State Medicaid Agency to determine their status.

Such referrals will broaden the range of health benefits for those children determined to be Medicaid eligible. Accordingly, health officials are urged to consult State Medicaid officials for assistance. Determine one or more resource points in the Medicaid agency where queries can be answered as they arise. One recommendation is to develop a reference list of common problems with resolutions that apply in your State.

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